

FOREIGN CLAIMS SETTLEMENT COMMISSION
OF THE UNITED STATES
WASHINGTON, D.C. 20579

IN THE MATTER OF THE CLAIM OF

STANDARD-COOSA THATCHER COMPANY

Under the International Claims Settlement
Act of 1949, as amended

Claim No. CU-0642

Decision No. CU 240

PROPOSED DECISION

This claim against the Government of Cuba, under Title V of the International Claims Settlement Act of 1949, as amended, was presented by STANDARD-COOSA THATCHER COMPANY in the amount of \$30,247.68 based upon the asserted loss of payment for merchandise shipped to Cuba.

Under Title V of the International Claims Settlement Act of 1949 [78 Stat. 1110 (1964), 22 U.S.C. §§1643-1643k (1964), as amended, 79 Stat. 988 (1965)], the Commission is given jurisdiction over claims of nationals of the United States against the Government of Cuba. Section 503(a) of the Act provides that the Commission shall receive and determine in accordance with applicable substantive law, including international law, the amount and validity of claims by nationals of the United States against the Government of Cuba arising since January 1, 1959 for

losses resulting from the nationalization, expropriation, intervention or other taking of, or special measures directed against, property including any rights or interests therein owned wholly or partially, directly or indirectly at the time by nationals of the United States.

Section 502(3) of the Act provides:

The term 'property' means any property, right or interest including any leasehold interest, and debts owed by the Government of Cuba or by enterprises which have been nationalized, expropriated, intervened, or taken by the Government of Cuba and debts which are a charge on property which has been nationalized, expropriated, intervened, or taken by the Government of Cuba.

Section 502(1) of the Act defines the term "national of the United States" as "(B) a corporation or other legal entity which is organized under the laws of the United States, or of any State, the District of Columbia, or the Commonwealth of Puerto Rico, if natural persons who are citizens of the United States own, directly or indirectly, 50 per centum or more of the outstanding capital stock or other beneficial interest of such corporation or entity."

An officer of the claimant corporation has certified that the claimant was organized in the State of Tennessee, and that all times between the dates of loss and presentation of this claim on January 12, 1966, more than 50% of the outstanding capital stock of the claimant has been owned by United States nationals.. The Commission holds that claimant is a national of the United States within the meaning of Section 502(1)(B) of the Act.

Claimant states that none of its 1,146 stockholders were residents of foreign countries, or assumed to be citizens of those countries.

The record contains copy of claimant's invoice 8004 dated September 11, 1959, reflecting the sale to Azze Hosiery Mills of Havana, Cuba, of goods totalling \$1,159.62, as to which freight, shipping and other attendant fees increased the total to \$1,214.35; a copy of claimant's invoice 8063, dated October 6, 1959, reflecting the sale to Cia. Operadora Vista Alegre, S.A., of Havana, Cuba, of goods totalling \$7,681.43, as to which freight, shipping and other fees increased the total to \$8,015.06; a copy of claimant's invoice 8118, dated October 27, 1959, reflecting the sale to Fabrica de Medias Corona of Havana, Cuba, of goods totalling \$8,710.03, as to which freight, shipping and other fees increased the total to \$9,071.96; a copy of claimant's invoice 8170 dated November 10, 1959, reflecting the sale to Distribuidora Besosa, S.A. of Havana, of goods totalling \$6,327.50; and a copy of claimant's invoice 8182, dated November 17, 1959, reflecting the sale to Cia. Operadora Vista Alegre, S.A. of Havana, of goods totalling \$5,394.93, as to which freight, shipping and other fees increased the total to \$5,618.81.

Additionally, the record includes copies of correspondence from banks and agents of the claimant in Cuba, copies of the drafts and other data concerning these transactions. This data discloses that the purchase price of the goods and accompanying charges for such shipments were paid by the Cuban consignees to local Cuban banks; and that the claimant was still awaiting a dollar reimbursement release or authorization from Cuban governmental officials. The dates of payment are not clearly set forth but all were made subject to the terms of the respective sales, or, on the basis of payment in sixty days, on the due dates of sixty days after the dates of the invoices. Claimant states that it has not received the funds.

The Government of Cuba, on September 29, 1959, published its Law 568, concerning foreign exchange. Thereafter, the Cuban Government effectively precluded not only transfers of funds to creditors abroad, but also payment to creditors within Cuba, by numerous, unreasonable and costly demands upon the consignees, who were thus deterred from complying with the demands of the Cuban Government. The Commission holds that Cuban Law 568 and the Cuban Government's implementation thereof, with respect to the rights of the claimant herein, was not in reality a legitimate exercise of sovereign authority to regulate foreign exchange, but constituted an intervention by the Government of Cuba into the contractual rights of the claimant, which resulted in the taking of American-owned property within the meaning of Section 503(a) of the Act. (See the Claim of The Schwarzenbach Huber Company, FCSC Claim No. CU-0019; and the Claim of Etna Pozzolana Corporation, FCSC Claim No. CU-0049).

Accordingly, in the instant claim the Commission finds that claimant's property was lost as a result of intervention by the Government of Cuba and that, in the absence of evidence to the contrary, the losses

occurred on the following dates:

| <u>Invoice No.</u> | <u>Consignee</u> | <u>Date of Loss</u> |
|--------------------|-----------------------------|---------------------|
| 8004 | Azze Hosiery Mills | November 11, 1959 |
| 8063 | Cia. Operadora Vista Alegre | December 6, 1959 |
| 8118 | Fabrica de Medias Corona | December 27, 1959 |
| 8170 | Distribuidora Besosa | January 10, 1960 |
| 8182 | Cia. Operadora Vista Alegre | January 17, 1960 |

The Commission has decided that in payment of losses on claims determined pursuant to Title V of the International Claims Settlement Act of 1949, as amended, interest should be allowed at the rate of 6% per annum from the date of loss to the date of settlement (See the Claim of American Cast Iron Pipe Company, FCSC Claim No. CU-0249).

Accordingly, the Commission concludes that the amount of the loss sustained by claimant shall be increased by interest thereon at the rate of 6% per annum from the dates on which the losses occurred, to the date on which provisions are made for the settlement thereof, as follows:

- On \$1,214.35 from November 11, 1959;
- On \$8,015.06 from December 6, 1959;
- On \$9,071.96 from December 27, 1959;
- On \$6,327.50 from January 10, 1960; and
- On \$5,618.81 from January 17, 1960.

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CERTIFICATION OF LOSS

The Commission certifies that STANDARD-GOOSA THATCHER COMPANY suffered a loss, as a result of actions of the Government of Cuba, within the scope of Title V of the International Claims Settlement Act of 1949, as amended, in the amount of Thirty Thousand Two Hundred Forty-Seven Dollars and Sixty-Eight Cents (\$30,247.68) with interest thereon at 6% per annum from the respective dates of loss to the date of settlement.

Dated at Washington, D. C.,
and entered as the Proposed
Decision of the Commission

SEP 6 1967

Edward D. Re

Edward D. Re, Chairman

Theodore Jaffe

Theodore Jaffe, Commissioner

LaVern R. Dilweg

LaVern R. Dilweg, Commissioner

NOTICE: Pursuant to the Regulations of the Commission, if no objections are filed within 15 days after service or receipt of notice of this Proposed Decision, upon the expiration of 30 days after such service or receipt of notice, the decision will be entered as the Final Decision of the Commission, unless the Commission otherwise orders. (FCSC Reg., 45 C.F.R. 531.5(e) and (g) as amended, 32 Fed. Reg. 412-13 (1967).)

CERTIFICATION

This is a true and correct copy of the decision
of the Commission which was entered as the final
decision on 16 OCT 1967

CU-0642

Frank Thatcher
Frank Thatcher
Member of the Commission